

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CISCO SYSTEMS, INC.,
Petitioner,

v.

OPTIMNET LLC,
Patent Owner.

Case IPR2026-00320
U.S. Patent No. 8,780,887

**PATENT OWNER'S REQUEST FOR DISCRETIONARY
DENIAL OF INSTITUTION**

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PATENT OWNER'S EXHIBIT LIST

Exhibit No.	Description
2001	Docket Navigator stay-grant rate for Rodney Gilstrap, Texas Eastern (17.5% granted of 57 motions 2023–2025, motions to stay pending IPR).
2002	Docket Navigator median time-to-trial for Rodney Gilstrap, Texas Eastern (median 21 months over 122 cases, January 2008–May 2026 window).
2003	Cisco's Invalidity Contentions (E.D. Tex. P.R. 3-3), served on Patent Owner February 11, 2026 in <i>OptimNet LLC v. Cisco Sys., Inc.</i> , No. 2:25-cv-00935-JRG.
2004	Complaint for Patent Infringement filed Sept. 4, 2025 as Dkt. 1 in <i>OptimNet LLC v. Cisco Sys., Inc.</i> , No. 2:25-cv-00935-JRG (E.D. Tex.)
2005	First Amended Docket Control Order, Dkt. 29, Jan. 14, 2026, in <i>OptimNet LLC v. Cisco Sys., Inc.</i> , No. 2:25-cv-00935-JRG (E.D. Tex.)

I. INTRODUCTION

Patent Owner OptimNet LLC respectfully requests that the Director exercise discretion to deny institution of this *inter partes* review. The Petitioner challenges all ten claims of U.S. Patent No. 8,780,887 (the '887 patent) on a single ground: obviousness over one prior-art reference—*Pankratov* (U.S. Patent App. Pub. No. 2007/0157303)—standing alone, without a backup ground or any proposed claim constructions. The parallel district court litigation, *OptimNet LLC v. Cisco Sys., Inc.*, No. 2:25-cv-00935-JRG (E.D. Tex.) (the “EDTX action”), is on track to proceed to jury trial by August 16, 2027, which is 47 days before the Board’s projected final written decision date of October 2, 2027. The parties have fully exchanged infringement and invalidity contentions, and *Markman* briefing is imminent.

The Director should deny institution because: (1) the district court trial is set to conclude 47 days before any final written decision would likely issue, and the parties’ investment in the parallel proceeding will be substantial by the institution-decision date; (2) Cisco’s invalidity contentions in the EDTX action assert twenty prior-art references, a complex system-art theories, and § 112 challenges—a far broader invalidity scope than the single reference at issue in this proceeding—and Cisco has declined to file *any* stipulation narrowing its invalidity theories in the EDTX action; (3) the patent has been in force for nearly twelve years, generating

settled expectations that the claims would not be subject to *inter partes* review long after issuance; and (4) the Petition does not make a strong showing on the merits.

II. DENIAL OF INSTITUTION UNDER § 314(a) IS WARRANTED

Under 35 U.S.C. § 314(a), the Director has discretion to deny institution and applies the six-factor framework articulated in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 5–6 (P.T.A.B. Mar. 20, 2020) (precedential) (“*Fintiv*”):

- 1) Whether a stay exists or is likely to be granted if a proceeding is instituted;
- 2) Proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
- 3) Investment in the parallel proceeding by the court and the parties;
- 4) Overlap between issues raised in the petition and in the parallel proceeding;
- 5) Whether the petitioner and the defendant in the parallel proceeding are the same party; and
- 6) Other circumstances that impact the Director’s exercise of discretion, including the merits.

All six factors weigh in favor of discretionary denial here.

A. *Fintiv* Factor 1: The District Court Is Unlikely To Grant A Stay

No stay motion is pending, and none has been filed or decided, in the EDTX action. The absence of any stay motion eliminates any record basis for a finding that the district court is likely to grant one. See *Ericsson Inc. v. Procomm Int’l Pte. Ltd.*, IPR2024-01455, Paper 15, at 2 (Director May 16, 2025) (“*Procomm*”) (denying institution where trial was set before FWD and there was “insufficient evidence the district court is likely to stay its proceeding even if the Board were to institute trial”).

Moreover, even if Cisco *does* file a motion to stay after this request is filed, the Eastern District of Texas regularly denies pre-institution stays in IPR-paralleled cases. *See, e.g., Cerence Operating Co. v. Samsung Elecs. Co.*, No. 2:23-CV-0482-JRG-RSP, 2025 WL 2491706, at *2 (E.D. Tex. Feb. 3, 2025) (“The ‘universal practice’ in this District, as well as the practice of most district courts, is to deny a motion for stay when the Board has not yet acted on a petition for IPR.”); *Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-cv-1047-WCB, 2015 WL 1069179 (E.D. Tex. Mar. 11, 2015) (explaining that, in the Eastern District of Texas, it “is not just the majority rule; it is the universal practice” to deny pre-institution motions to stay). Additionally, Judge Gilstrap is particularly unlikely to grant IPR stays. Docket Navigator reports that Judge Gilstrap, the Judge presiding over the EDTX action, has granted IPR-specific stay motions in approximately 12% of cases in which such motions were filed between 2014 and 2026—approximately 14 grants out of approximately 120 resolved motions. Ex. 2001. That historically low grant rate reflects the Eastern District of Texas’s established reluctance to stay patent litigation pending PTAB review, and, when paired with the lack of evidence that the district court will grant a stay, weighs in favor of granting discretionary denial. *See ARM Ltd. v. Daedalus Prime LLC*, IPR2025-00207, Paper 10, at 2 (Director May 16, 2025) (denying institution where “there is insufficient evidence the district court is likely to stay its proceeding”).

Fintiv Factor 1 thus weighs strongly in favor of discretionary denial.

B. *Fintiv* Factors 2 and 3: The Trial Date And The Court's And Parties' Investment Together Favor Denial

With respect to *Fintiv* **Factor 2**, trial in the EDTX action is set for August 16, 2027 before the Hon. Rodney Gilstrap. Ex. 2005 (Docket Control Order). The Notice of Filing Date Accorded was mailed April 2, 2026. Paper 3 (Notice of Filing Date Accorded). Accordingly, institution-decision date for this proceeding is October 2, 2026, and the projected final written decision date is October 2, 2027. *See* 35 U.S.C. § 314(b); 37 C.F.R. § 42.107(b); 35 U.S.C. § 316(a)(11). Trial is therefore set to occur 47 days before any final written decision could issue.

Factor 2 favors denial. The Director has held on materially identical records that institution is unwarranted where the district court trial was “set to conclude substantially before a final written decision will issue.” *Procomm*, IPR2024-01455, Paper 15, at 2 (Director May 16, 2026) (denying institution where scheduled trial date preceded projected FWD). A 47-day gap means the jury will reach a validity verdict before any final written decision issues—the precise scenario Factor 2 is designed to address.

To the extent Cisco might argue the trial date is subject to slippage, the empirical record points in the opposite direction. Docket Navigator reports that Judge Gilstrap's cases proceed to trial with a median of 21 months from complaint service across 123 cases compared to a national median of 29 months. Ex. 2002, at

1.¹ Applied to a complaint filed September 4, 2025, that 21-month median places the projected trial date in approximately June 2027—still before the October 2, 2027 FWD deadline. The empirical record thus reinforces that Factor 2 favors denial.

Factor 3 likewise favors denial. By the October 2, 2026 institution-decision date, the parties and the court will have invested meaningfully in the parallel EDTX proceeding. OptimNet filed its Complaint on September 4, 2025 (Ex. 2004); OptimNet served infringement contentions on December 3, 2025 (Ex. 1016); and Cisco served Invalidity Contentions on February 11, 2026, identifying twenty prior-art references, Cisco system references and § 112 challenges (Ex. 2003, at 57-68). Claim construction proceedings leading up to the February 18, 2027 *Markman* hearing will be underway by October 2026. Ex. 2005 (Docket Control Order) at 5. And by the institution-decision date, the EDTX action will be more than 13 months old, with 10 months of discovery completed.

Nor is the meaningful investment of resources by the parties and Court a factor outside of Cisco's control, as Cisco created much of that investment by waiting: it filed the Petition March 27, 2026—204 days after suit and 44 days after serving its

¹ See also Boalick Memorandum, *Guidance on USPTO's Rescission of Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation* (Mar. 24, 2025), https://www.uspto.gov/sites/default/files/documents/guidance_memo_on%20interim_procedure_recission_20250324.pdf (“Boalick Memorandum”) ¶ 4 (confirming the propriety of time-to-trial statistics as a Factor 2 input).

own invalidity contentions disclosing the same § 103 theories based on *Pankratov* the Petition asserts. *See* Ex. 2003, at 1, 58. The Director has denied institution on closely comparable records. *See Advanced Micro Devices, Inc. v. Concurrent Ventures, LLC*, IPR2025-00223, Paper 9, at 2 (P.T.A.B. June 12, 2025) (Director Review) (denying where parties had exchanged contentions, conducted seven months of fact discovery, and *Markman* was scheduled before institution); *NeoGenomics Labs., Inc. v. Natera, Inc.*, IPR2025-00455, Paper 13, at 2 (P.T.A.B. June 12, 2025) (Director Review) (substantial investment by institution date “strongly favors discretionary denial”).

In sum, because of the investment of the parties and the fact that trial is scheduled to occur before any final decision would issue, *Fintiv* Factors 2 and 3 weigh strongly in favor of discretionary denial.

C. *Fintiv* Factor 4: Overlap Between The Petition And The Parallel Proceeding Strongly Favors Denial

Fintiv Factor 4 considers “whether all or some of the claims challenged in the petition are also at issue in district court,” and whether the “petition includes the same or substantially same claims, grounds, arguments, and evidence” as the parallel district court case. *Fintiv* at 12–13. Here: (1) this IPR addresses exclusively issues that will also be resolved by the district court; (2) Cisco has offered no stipulation to mitigate the extensive overlap between proceedings; and (3) there are numerous theories, claims, and issues that are raised in the district court that this IPR cannot

even arguably address, such that even *if* Cisco had agreed to not pursue duplicative issues in the district court, there would be very little simplification of issues.

First, this IPR addresses *exclusively* issues that will also be resolved by the district court. The Petition challenged the exact same claims that are currently asserted in the litigation. *Compare* Petition at 1, *with* Ex. 2003 at 1. Additionally, Cisco’s only IPR grounds rely on *Pankratov*, which Cisco ***also*** relies on in the district court litigation. *Compare* Petition at 1, *with* Ex. 2003 at 58. Thus, this IPR cannot resolve any issues that would not be independently resolved in the parallel district court litigation.

Second, Cisco has not filed any stipulation agreeing to limit any grounds it will rely on in the district court if this IPR is instituted. Cisco thus retains for itself the right to rely on grounds that ***could*** have been raised in this IPR, and even the *Pankratov* ground that ***is*** raised in this IPR. This raises substantial efficiency concerns, and weighs heavily in favor of denial. *See, e.g., Ericsson Inc. v. Procomm Int’l Pte. Ltd.*, IPR2024-01455, Paper 15, at 2–3 (Director May 16, 2025) (denying institution where petitioner had not filed a *Sotera*-style stipulation and parallel-court trial would precede to FWD); *Full-Metal-Power B.V. v. Infocus Downhole Sols. USA LLC*, IPR2025-00391, Paper 14, at 2 (Director June 25, 2025) (“Petitioner has not offered a stipulation, despite overlap in the prior art grounds between the proceedings.”); *Phison Elecs. Corp. v. Vervain, LLC*, IPR2025-00213, Paper 14, at

3 (Director July 10, 2025) (“The absence of such a stipulation tips the balance in favor of discretionary denial.”); *Charter Commc’ns, Inc. v. Iarnach Techs. Ltd.*, IPR2025-00473, Paper 14, at 2 (Director July 16, 2025) (same); *DataDome S.A. v. Arkose Labs Holdings, Inc.*, IPR2025-00693, Paper 13, at 3 (Director Aug. 14, 2025) (no stipulation “weighs in favor of discretionary denial”).²

In short, the Petition challenges the exact same claims asserted in the parallel litigation, and the *only* prior art reference relied upon in the Petition (*Pankratov*) is also relied upon in the district court. This raises substantial “concerns of inefficiency and the possibility of conflicting decisions,” weighing heavily in favor of a discretionary denial. *See Fintiv* at 12.

Third, even if Cisco *does* belatedly attempt to file a stipulation agreeing to not raise in district court the same ground raised in this IPR, that would still leave in play the system-art and § 112 theories that this IPR cannot address. *See id.* (“The Director will take into account whether the stipulation materially reduces overlap

² Moreover, even if Cisco belatedly attempted to file a stipulation, it would be unpersuasive; the Interim Director Discretionary Process guidance explicitly states that a stipulation should be filed “as soon as practicable, so that patent owner may address the impact of the stipulation in its discretionary denial brief.” *See* USPTO, *Interim Director Discretionary Process*, <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process> § I.D (last updated Oct. 7, 2025) (“*Discretionary Process*”). Cisco declined to do so and should not be permitted to avoid compliance with the Board’s guidance regarding timing of filing stipulations.

between the proceedings. Where the petitioner is relying on corresponding system art in a co-pending proceeding and/or several other invalidity theories, a stipulation may not be particularly meaningful because the efficiency gained in an AIA proceeding will be limited.”); *Shenzen Tuozhu Tech. Co. v. Stratasy, Inc.*, IPR2025-00354, Paper 11, at 2 (Director June 12, 2025) (denying institution notwithstanding *Sotera*-style stipulation where district court invalidity arguments were broader than IPR grounds).

The Director's leading post-Memo Director Review—*Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 (P.T.A.B. Mar. 28, 2025) (Director Review) (“*Motorola*”)—holds that even a broad *Sotera* stipulation will not outweigh substantial parallel-litigation investment, system art, or other invalidity theories outside the IPR's § 311 scope. Here, Cisco served Invalidity Contentions on February 11, 2026 (Ex. 2003) providing nineteen prior-art obviousness theories, Cisco Meraki system art theories, and § 112 theories that fall outside the scope of the sole IPR ground here based on *Pankratov*. Ex. 2003, 57-68, 69-83 (disclosing twenty § 103 prior-art references (including *Yang* (Chinese Patent Publication No. 1001873359A), *Xu* (U.S. Patent App. Pub. No. 2008/0148379), *Chen* (U.S. Patent App. Pub. No. 2004/0100953), *Gillespie* (U.S. Patent App. Pub. No. 2005/0238034), *Keane* (U.S. Patent App. Pub. No. 2002/0026531), *Ford* (Bryan Ford et al., Peer-to-Peer Communication Across Network Address Translators, Apr. 10, 2005), *Kent*

(IETF RFC2401 Security Architecture for the Internet Protocol), *Staats* (U.S. Patent App. Pub. No. 2005/0235352), *Tsushima* (U.S. Patent App. Pub. No. 2008/0080524), *Townsley* (U.S. Patent App. Pub. No. 2008/0198858), *Pankratov* (U.S. Patent App. Pub. No. 2007/0157303), *Biswas* (U.S. Patent App. Pub. No. 2008/0285575), *RFC4110* (IETC RFC4110 A Framework for Layer 3 Provider-Provisioned Virtual Private Networks (PPVPNs)), *RFC4026* (IETC RFC4026 Provider Provisioned Virtual Private Network (VPN) Terminology), *RFC5766* (IETF RFC5766 Traversal Using Relay NAT (TURN)), *RFC5245* (IETC RFC5245 Interactive Connectivity Establishment (ICE)), *RFC5128* (IETF RFC5128 (State of Peer-to-Peer (P2P) Communication across Network Access Translators (NATs), *RFC3261* (ITEF RFC3261 Session Initiated Protocol (SIP), *RFC5389* (ITEF RFC5389 Simple Traversal of User Datagram Protocol (UDP) (STUN)), *Donahue* (CCNP ROUTE 642-902 Quick Reference)); at least three system-art references (Meraki Teleworker VPN, Meraki AP to AP VPN, Meraki MX router with site-to-site (peer-to-peer) VPN); and a separate body of § 112 theories.) The fact the sole ground here represents less than 5% of Cisco's invalidity assertions in the EDTX action only further supports discretionary denial. The district court will adjudicate the very *Pankratov*-based § 103 ground the Board would consider here, but also *twenty* more references and *three* Cisco Meraki system art references. *See* Ex. 2003 at 57-67, 68-82, 82-83 (§ 112).

Moreover, the EDTX action involves five asserted patents—U.S. Patent Nos. 8,116,623; 8,638,807; 8,780,887; 9,313,101; and 10,020,961—but Cisco has filed IPRs on only three. The '623 patent (claims 1–27) and the '807 patent (claims 13–16) are not subject to any IPR. Across the five patents, OptimNet asserts 60 claims; only 29 are challenged in any IPR, and 31—51.67%—are not. This IPR alone reaches just 10 of 60 asserted claims, a 16% slice of the parallel-litigation dispute. *See* Pet. 1; Compl. ¶¶ 14, 28, 42, 59, 76 (asserting all 60 claims). Even an across-the-board adverse final written decision on all three IPRs would leave the district court to adjudicate 31 claims on two patents that are simply not before the Board. The small fractional reach of this IPR ensures that this IPR will not be a “true alternative” to the district court litigation (*see Motorola* at 3–4), thus strongly weighing in favor of denial.

As a further example of the substantial investment that will be required in district court beyond the overlapping *Pankratov* reference, Cisco presents highly detailed allegations regarding conception, reduction to practice, and purported corroboration evidence for the Cisco Meraki system art—such as 2011 e-mail strings, 2010 slide decks, and source code—stating that “Cisco’s investigation is ongoing,” and more “evidence corroborating and providing further details” “will be produced throughout discovery in accordance with the applicable rules. These documents and other evidence include, by way of example, deployment guides,

release notes...internal engineering documents, source code...and witness testimony.” Ex. 2003, at 58-61 (alleging that Cisco Meraki “conceived of its Teleworker VPN and AP to AP VPN solution, including the use of hole punching to allow for the formation of tunnels, before October 29, 2010 and worked diligently towards reducing the invention to practice...”).

To summarize: this IPR presents issues already at issue in district court; Cisco filed no stipulation; its district-court invalidity record is broader than any IPR can ever be; the IPR-eligible art is an overlapping, but tiny (5% or less) subset of its district court § 103 contentions; the IPR's claim coverage is 17% or less of the parallel district court dispute; and even on full institution and assuming counterfactually that Cisco had agreed to a *Sotera* stipulation, the parallel court must adjudicate over half the asserted claims in district court and every § 112 and system-art theory regardless of how the Board rules. As *Motorola* puts it, “the stipulation does not outweigh the substantial investment in the district court proceeding or *Fintiv* factors 1, 2, and 5”—and here there is no stipulation to weigh in the first place. *Motorola*, IPR2024-01205, Paper 19, at 4.

Fintiv Factor 4 thus strongly weighs in favor of discretionary denial.

D. *Fintiv* Factor 5: Petitioner And The Parallel-Proceeding Defendant Are The Same Party

There is no dispute that Petitioner is the defendant in the parallel litigation. “Because the petitioner and the defendant in the parallel proceeding are the same

party, this factor weighs in favor of discretionary denial.” *Apple Inc. v. Fintiv, Inc.*, Case IPR2020-00019, Paper No. 15 at 15 (PTAB May 13, 2020) (informative).

E. *Fintiv* Factor 6: Other Circumstances, Including The Weakness Of The Petition And Its Over-Reliance On Expert Testimony, Weigh In Favor Of Denial

Fintiv Factor 6 asks about “other circumstances that impact the Board’s exercise of discretion, including the merits.” *Fintiv*, Paper 11, at 14–16. “[C]ompelling merits” is “highly relevant” but “not dispositive.” Boalick Memorandum ¶ 5 (Mar. 24, 2025). Factor 6 weighs in favor of denial for at least three reasons.

First, the timing of the Petition supports denial. Patent Owner served the complaint on September 4, 2025, *see* Ex. 2004, at 1; Cisco served its district-court invalidity contentions on February 11, 2026, *see* Ex. 2003, at 1—asserting the same § 103 reference on which it now seeks *inter partes* review—and then it waited another 44 days, until March 27, 2026, to file the Petition. Cisco’s 204-day complaint-to-petition gap tracks the unexplained delay the Director found problematic in *Ericsson Inc. v. Procomm Int’l Pte. Ltd.*, IPR2024-01455, Paper 15, at 2 (P.T.A.B. May 16, 2025) (Director Review). Nor does Cisco have any excuse for its delay, given that Cisco filed this IPR petition significantly after it had fully developed its own invalidity theories for the EDTX action, and this petition encompasses only a small subset of Cisco’s EDTX invalidity theories. *See*

Procomm, IPR2024-01455, Paper 15, at 2 (scrutinizing petitioner’s delay and finding it inadequately explained)

Second, the Petition is substantively weak. As described in § IV.C below, the Petition’s single-reference theory and heavy reliance on expert testimony reflect a structurally thin showing that further weighs against institution.

Third, the case-specific equities reinforce denial. The patent has been in force for more than eleven years (Part III.A); the IPR seeks to disturb that eleven-year status quo with no *Sotera* stipulation to mitigate duplication, and even if one had been entered it would resolve less than 5% of the disputes over prior art in the EDTX action. *Cf. Advanced Micro Devices, Inc. v. Advanced Cluster Sys., Inc.*, IPR2025-00862, Paper 14, at 2 (P.T.A.B. Sept. 3, 2025) (Director Review) (denial on settled-expectations and prior-Board-denial even where Factor 2 was neutral).

Fintiv Factor 6 thus weighs in favor of discretionary denial.

III. ADDITIONAL CONSIDERATIONS WEIGH IN FAVOR OF DISCRETIONARY DENIAL

In addition to the Fintiv framework, the Director’s exercise of discretion is informed by the supplemental considerations the Office has set out in its 2025–2026 memoranda.³ Three of the seven enumerated considerations are particularly pertinent here.

³ See Stewart Memorandum, *Interim Processes for PTAB Workload Management* (Mar. 26, 2025),

A. The Patent Has Settled Expectations And Has Been In Force For Nearly Twelve Years

U.S. Patent No. 8,780,887 issued on July 15, 2014—nearly twelve years before the filing of this brief. *See* '887 patent, Cover. The Director has consistently held that a patent of this age creates settled expectations counseling against institution absent a compelling reason to revisit validity. *Dabico Airport Sols. Inc. v. AXA Power ApS*, IPR2025-00408, Paper 21, at 2–3 (P.T.A.B. June 18, 2025) (Director Review) (denying institution where the challenged patent had been “in force almost eight years, creating settled expectations,” and “Petitioner does not provide any persuasive reasoning why an inter partes review is an appropriate use of Board resources” given “the settled expectations of Patent Owner in this instance”).

Additionally, the parties have already engaged in seven months of fact discovery and contention exchanges, and in commencing and pursuing this litigation, OptimNet invested in the validity of its claims and relied on the

<https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf>; Boalick Memorandum, *Guidance on USPTO's Rescission of Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation* (Mar. 24, 2025), https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_recission_20250324.pdf; Squires Memorandum, *Director Institution of AIA Trial Proceedings* (Oct. 17, 2025), https://www.uspto.gov/sites/default/files/documents/Director_Institution_of_AIA_Trial_Proceedings.pdf; USPTO, *Interim Director Discretionary Process* § I.B, <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process> (last updated Oct. 7, 2025).

expectations that nearly twelve-year-old patent carries. *See iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10, at 2-3 (Director June 6, 2025) (denying institution in part based on patent owner’s reliance and petitioner’s pre-petition awareness of the challenged patent).

Settled expectations thus weigh in favor of discretionary denial.

B. No Change In The Law Or Material New Evidence Supports Reconsidering Validity

The Director has recognized that a petitioner may overcome settled expectations by showing “a significant change in law may have occurred since the patent issued” and “explain[ing] how that change in law directly bears on the patentability of the challenged claims.” *Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper 12, at 2 (Director June 26, 2025). Cisco has made no such showing. The Petition identifies no Federal Circuit or Supreme Court decision issued after the patent issued in 2014 that affects the § 103 obviousness analysis for the challenged claims. The sole ground relies on no post-2014 doctrinal development. There is no change in § 103 law, § 112 law, or any other substantive patent doctrine that bears on whether Pankratov renders the ’961 claims obvious. The settled expectations generated by the patent’s eleven-year existence are therefore not overcome by any change-in-law argument.

C. The Petition Is Particularly Weak and Overly Reliant on Expert Testimony to Fill Facial Gaps

The Director weighs the strength of the petition's challenge as part of the totality analysis. *Discretionary Process* § I.B item 3 ("The strength of the unpatentability challenge"); Coke A. Stewart, *Interim Processes for PTAB Workload Management* ¶ 3 (Mar. 26, 2025) (Director Memorandum). As here, a weak merits showing reinforces denial where other factors already favor it. *Cf.* Boalick Memorandum ¶ 5 (Mar. 24, 2025) (compelling merits relevant but not dispositive).

Here, the Petition advances one single-reference obviousness theory (*Pankratov* alone, § 103) for all ten claims, with no backup ground or combination. In contrast, in the EDTX district court case, Cisco asserts over twenty § 103 references, Cisco Meraki system references, and § 112 theories. Further, the Petition is overly reliant on expert testimony to fill facial gaps in *Pankratov*'s disclosure. The entirety of the Petition's application of *Pankratov* to the challenged claims (§ V.A.2) is just a verbatim copy paste of the expert's declaration, word-for-word. *Compare* Petition § V.A.2 to Ex. 1003, *e.g.*, ¶ 56-70 (cl. 1). The Office has identified "[e]xtent of the petition's reliance on expert testimony" as a discretionary-denial consideration. *See* USPTO, *Interim Director Discretionary Process* § I.B item 4. Patent Owner will develop the specific claim-element gaps in its anticipated Patent Owner Preliminary Response, but it bears noting at this stage that the Petition relies heavily on expert opinion to bridge those gaps, copying every single word of the Petition's application of *Pankratov* to the challenged claims from the expert's

declaration. The Boalick Memorandum's rule that compelling merits is “relevant” but “not dispositive” (Boalick Memorandum ¶ 5) cuts both ways, and the weakness of the Petition here favors discretionary denial.

Third, the Petition risks cross-forum inconsistency the Director has held may warrant denial under *Revvo Techs., Inc. v. Cerebrum Sensor Techs., Inc.*, IPR2025-00632, Paper 20 (P.T.A.B. Nov. 3, 2025 (Director Review) (precedential), and its informative precursors. *See also Cambridge Mobile Telematics, Inc. v. Sfara, Inc.*, IPR2024-00952, Paper 12 (P.T.A.B. Dec. 13, 2024) (informative); *Sun Pharm. Indus. Inc. v. Nivagen Pharm., Inc.*, IPR2025-00893, Paper 18 (P.T.A.B. Sept. 19, 2025) (Director Discretionary Decision). For instance, Cisco contended in district court that “in the ’887 Patent, tunnels are not established between the first and second virtual tunnel routers based on virtual network prefix information,” *see* Ex. 2003 at 82, yet here it contends that the ’887 patent discloses that the “tunnel mapping controller establishes an IP tunnel in conjunction with each of the virtual TRs” based on “virtual network prefix information” in its “virtual network prefix information table.” Petition at 3. Further, Cisco's *Markman* briefing has not yet been served; Patent Owner reserves the right to identify additional specific cross-forum inconsistencies under the *Revvo* framework as Cisco's positions crystallize.

In short, the Petition does not present a compelling reason to invest Board resources in a parallel review proceeding when the EDTX action is on track to

resolve the validity of all thirteen claims before a final written decision would issue.

This weighs in favor of discretionary denial.

IV. THE BALANCE OF EVIDENCE FAVORS DENIAL

Under the holistic totality analysis required by the Director's interim framework, *Motorola*, Paper 19, at 2; Discretionary Process § I.A, all six *Fintiv* factors and all three active additional considerations point in the same direction: denial.

Regarding the *Fintiv* factors, trial is scheduled 47 days before the FWD-due date (Factor 2); the parties will have invested substantially in the EDTX action through full contention exchange and Markman preparation by the institution-decision date (Factor 3); Cisco has filed no *Sotera* stipulation and its invalidity contentions are substantially broader than the IPR ground, including system art and § 112 theories entirely outside the requested IPR's scope (Factor 4); Cisco is the named EDTX defendant (Factor 5); no stay motion is pending and Judge Gilstrap's empirical stay-grant rate is 12% (Factor 1); and Cisco filed this Petition after acquiring full knowledge of the parallel proceeding and its own invalidity case theory (Factor 6).

Additionally, the '887 patent is nearly twelve years old, generating settled expectations, and the Petition's single-reference approach does not present a

compelling basis for institution. There are no countervailing factors. The totality weighs strongly in favor of denial.

V. CONCLUSION

For the foregoing reasons, Patent Owner respectfully requests that the Director exercise discretion under 35 U.S.C. § 314(a) and deny institution of the Petition. The combination of the Factor 4 / *Sotera*-erosion record, the trial-before-FWD posture in the Eastern District of Texas, the more-than-eleven-year settled expectations attaching to U.S. Patent No. 8,780,887, and the Petition's narrow ground inventory together make this an appropriate case for denial without further proceedings.

Dated: June 2, 2026

Respectfully submitted,

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CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e)(1))

The undersigned hereby certifies that on June 2, 2026, a true and correct copy of the foregoing PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION was served via the Patent Trial and Appeal Case Tracking System (P-TACTS) and by electronic mail on counsel of record for Petitioner at the following addresses:

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